

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

9 9 — 0 1 0

2. STATE:

Louisiana

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

June 21, 1999

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447.297

7. FEDERAL BUDGET IMPACT:

a. FFY 1998-1999 \$ -0-

b. FFY 1999-2000 \$ -0-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A, Item 1, page 10d

Attachment 4.19-A, Item 1, page 10g

Attachment 4.19-A, Item 1, page 10i

Attachment 4.19-A, Item 1, page 10i (1)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Same (TN 97-25 pending)

Same (TN 99-05 pending)

Same (TN 99-09 pending)

New

10. SUBJECT OF AMENDMENT: The purposes of this amendment are 1) to modify DSH reimbursement by adding
a second group of large rural hospitals comprised of hospitals that would not otherwise have
qualified for disproportionate share payments, but have at least 25% Medicaid inpatient days
utilization as defined, and 2) amend the date by which small rural hospitals must meet the size
requirement from July 1, 1994 to October 1, 1994.

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☒ OTHER, AS SPECIFIED: The Governor does not
review state plan material.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

David W. Hood

14. TITLE:

Secretary

15. DATE SUBMITTED:

6/29/99

16. RETURN TO:

State of Louisiana
Department of Health & Hospitals
1201 Capitol Access Road
P O Box 91030
Baton Rouge, LA 70821-9030

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

JUNE 30, 1999

18. DATE APPROVED:

JUNE 6, 2001

19. EFFECTIVE DATE OF APPROVED MATERIAL:

JUNE 21, 1999

20. SIGNATURE OF REGIONAL OFFICIAL:

Sandra Hall

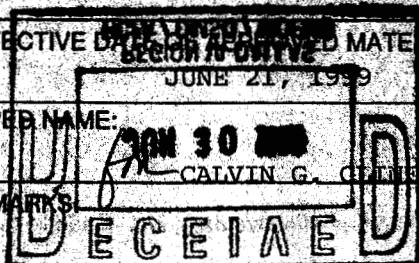
21. TYPED NAME:

CALVIN G. GIBBS

22. TITLE:

ASSOCIATE REGIONAL ADMINISTRATOR
DIV OF MEDICAID AND STATE OPERATIONS

23. REMARKS:



Pen & ink changes to plan pages were made per 5/10/01 conference call

Calvin Cline
April 24, 2001
Page 3

30, TN 97-04, TN 97-25, TN 99-05, and TN 99-09.

Previously pending plan amendments TN 95-29, 95-30, and 97-04 were approved subsequent to the stop-the-clock letter for this transmittal, and the remaining referenced plan changes have been re-submitted for approval. The language changes from those transmittals have been incorporated in the current transmittal.


The attached pages are to be substituted according to the following chart. Please make pen and ink changes to blocks 8 and 9 of HCFA 179 to amend to read as follows:

Block 8	Block 9
10d	same (TN 97-04)
10j	same (TN 97-25)
10k(1)	same (TN 99-05)
10k(2)	same (TN 99-09)
10k(3)	same (TN 99-09)
10k(4)	new

Please consider this a formal request to begin the 90-day clock. It is anticipated that the above clarifications and additional information will be sufficient to result in approval of the pending State plan amendment. If further information is needed, please contact Virginia Lee at (504)342-1400.

We appreciate the continued assistance of Billy Bob Farrell in resolving these issues.

Sincerely,



Ben A Bearden
Director

Attachments

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - INPATIENT HOSPITAL CARE

OR

- (iii) Effective November 3, 1997 hospitals meeting the definition of small rural hospital as defined in 3.b. below.

OR

- (iv) Effective June 21, 1999 be a large rural hospital with at least twenty-five percent (25%) Medicaid inpatient days utilization as defined in 3.d. below.

AND

- e. In addition to the qualification criteria outlined in Item I.D.1.a.-d. above, effective July 1, 1994, the qualifying disproportionate share hospital must also have a Medicaid inpatient utilization rate of at least one percent (1%).

2. General Provisions for Disproportionate Share Payments

- a. Disproportionate share payments cumulative for all DSH payments under all DSH payment methodologies shall not exceed the federal disproportionate share state allotment for each federal fiscal year or the state appropriation for disproportionate share payments for each state fiscal year. The Department shall make necessary downward adjustments to hospitals' disproportionate share payments to remain within the federal disproportionate share allotment or the state disproportionate share appropriated amount.

The state will allocate the reduction between state and non-state hospitals based on the pro rata share of the amount appropriated for state hospitals and non-state hospitals multiplied by the amount of disproportionate share payments that exceed the federal disproportionate share allotment.

The reduction will be allocated between the non-state hospital groups based on the pro rata share of each group's payments divided by the sum of payments for all groups.

Methodologies for hospitals within groups are found as follows:

STATE	<u>Louisiana</u>
DATE REC'D	<u>6-30-99</u>
DATE APPV'D	<u>6-6-01</u>
DATE EFF	<u>6-31-99</u>
HCFA 179	<u>TW 99-10</u>
A	

TN# _____
Supersedes
TN# _____

Approval Date _____

Effective Date _____

97-25

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - INPATIENT HOSPITAL CARE

b. Small Rural Hospitals

- 1) A Small Rural Hospital is defined as a hospital (other than a long-term care hospital, rehabilitation hospital, or free-standing psychiatric hospital but including distinct part psychiatric units) meeting the following criteria:

A qualifying hospital a) has no more than sixty beds as of October 1, 1994; and: 1) is located in a parish with a population of less than fifty thousand; or 2) is located in a municipality with a population of less than twenty thousand.

OR

- b) meets the qualifications of a sole community hospital under 42 CFR §412.92(a).
- 2) Payment is based on uncompensated cost for qualifying small rural hospitals in the following two pools:
- a) Public (non-state) Small Rural Hospitals are small rural hospitals as defined above which are owned by a local government;
- b) Private Small Rural Hospitals are small rural hospitals as defined above that are privately owned.

STATE <u>Louisiana</u>	A
DATE REC'D. <u>6-30-99</u>	
DATE APPV'D. <u>6-6-01</u>	
DATE EFF. <u>6-21-99</u>	
HCFA 179 <u>TN 99-10</u>	

97-25

TN# _____ Approval Date _____ Effective Date _____

Supersedes

TN# _____

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PLAN

ATTACHMENT 4.19-A
Item 1, Page 10k(1)

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - INPATIENT HOSPITAL CARE

d. Large Public Non-State Rural Hospitals With at Least 25% Medicaid Inpatient Days Utilization

- 1) A large public non-state rural hospital with at least 25% Medicaid inpatient days utilization is a hospital owned by a local government that meets the qualifying criteria for disproportionate share hospital in I.D, but is not included in section 3.a., 3.b., or 3.c. and meets the following criteria:
 - a) is located in a parish with a population of less than fifty thousand, or
 - b) is located in a municipality with a population of less than twenty thousandAND
 - c) has Medicaid inpatient days utilization rate in excess of 25 percent for the hospital's fiscal year end cost report ending during the period April 1, 1997 through March 31, 1998. The Medicaid inpatient days utilization percentage is derived from Medicaid reported days per the hospital's fiscal year end cost report ending during the period April 1, 1997 through March 31, 1998. Non-covered Medicaid days or days for which another payor is primary to Medicaid coverage may not be included in order to qualify for this payment. This designation includes hospitals with distinct-part psychiatric units, but excludes long-term, rehabilitation, or free-standing psychiatric hospitals.
- 2) Disproportionate share payments for state fiscal year 1999 to each qualifying large public non-state rural hospital with 25% Medicaid utilization are equal to that hospital's pro rata share of uncompensated costs for all hospitals meeting these criteria for the cost reporting period ended during the period April 1, 1997 through March 31, 1998 multiplied by the amount set for this pool. If the cost reporting period is not a full period (twelve months), actual uncompensated cost data for the previous cost reporting period may be used on a pro rata basis to equate to a full year. Disproportionate share payments made to large public non-state rural hospitals with at least 25% Medicaid inpatient days utilization after state fiscal year 1999 will be made in accordance with the methodology for the DSH group for which they qualify in subsequent years, if any.
- 3) A pro rata adjustment necessitated by the conditions specified in section 2.a. above will be calculated using the ratio determined by dividing the qualifying hospital's uncompensated costs by the uncompensated costs for all qualifying large public non-state rural hospitals with 25% Medicaid utilization, then multiplying by the amount of disproportionate share payments calculated in excess of the federal disproportionate share allotment or the state disproportionate share appropriated amount.

STATE <u>Louisiana</u>
DATE RECD <u>6-30-99</u>
DATE APPLIC <u>6-6-01</u>
DATE EFF <u>6-21-99</u>
HCFA 179 <u>TN 99-10</u>
<u>A</u>

99-05

TN# _____

Approval Date _____

Effective Date _____

Supersedes

TN# _____

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PLAN

ATTACHMENT 4.19-A
Item 1, Page 10k(2)

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - INPATIENT HOSPITAL CARE

e. All Other Hospitals (Private Rural Hospitals Over 60 Beds, All Private Urban Hospitals, Public Non-State Urban Hospitals Over 60 Beds, All Free-Standing Psychiatric Hospitals exclusive of State Hospitals, Rehabilitation Hospitals, and Long-Term Care Hospitals)

1) Criteria for hospitals to be included in this group are as follows:

- a) Private rural hospitals over 60 beds - privately owned acute care general, rehabilitation, and long term care hospitals including distinct part psychiatric units having more than 60 beds that are not located in a Metropolitan Statistical Area as defined per the 1990 census. This excludes any reclassification for Medicare.
- b) All private urban hospitals - privately owned acute care general, rehabilitation, and long term care hospitals including distinct part psychiatric units that are located in a metropolitan Statistical Area as defined per the 1990 census. This excludes any reclassification under Medicare.
- c) Public non-state urban hospitals over 60 beds - local government-owned acute care general, rehabilitation, and long-term care hospitals including distinct part psychiatric units having more than 60 beds that do not meet qualifying criteria in D.3.c.
- d) All free-standing psychiatric hospitals exclusive of state hospitals - privately owned and local government owned psychiatric hospitals of any size.
- e) Rehabilitation hospitals and long-term care hospitals - hospitals which meet Medicare specialty designation as these types of hospitals.

STATE <u>Louisiana</u>	A
DATE REC'D <u>6-30-99</u>	
DATE APP'LD <u>6-6-01</u>	
DATE EFF <u>6-21-99</u>	
HCFA 179 <u>TN 99-10</u>	

99-09

TN# _____ Approval Date _____ Effective Date _____
Supersedes
TN# _____

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PLAN

ATTACHMENT 4.19-A
Item 1, Page 10k(3)

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - INPATIENT HOSPITAL CARE

- 2) Annualization of days for the purposes of the Medicaid days pools is not permitted. Payment is based on actual paid Medicaid inpatient days for a six month period ending on the last day of the latest month at least 30 days preceding the date of payment which will be obtained by DHH from a report of paid Medicaid days by service date.
- 3) Payment is based on Medicaid days provided by hospitals in the following three pools:
 - a) Teaching Acute Care Hospitals - acute care hospitals (exclusive of distinct part psychiatric units) not included in 3.a., 3.b., 3.c, or 3.d. above which are recognized under the Medicare principles of reimbursement as approved teaching hospitals. Rehabilitation, long term care, and freestanding psychiatric hospitals are always classified as such, and therefore not at any time classified as teaching hospitals, even if they have a GME program.
 - b) Acute Care Hospital - acute care, rehabilitation, and long term care hospitals not described in I.D.3.a. and I.D.3.b. above (excluding distinct part psychiatric units) are qualified for this designation.
 - c) *hospitals with* Psychiatric Hospital - Freestanding psychiatric hospitals and distinct part psychiatric units not included in I.D.3.a. and I.D.3.b. above are qualified for this designation.

STATE <u>Louisiana</u>	A
DATE REC'D <u>6-30-99</u>	
DATE APP'D <u>6-6-01</u>	
DATE EFF <u>6-21-99</u>	
HCFA 179 <u>TN 99-10</u>	

99-09

TN# _____

Approval Date _____

Effective Date _____

Supersedes

TN# _____

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PLAN

ATTACHMENT 4.19-A
Item 1, Page 10k(4)

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - INPATIENT HOSPITAL CARE

- 4) Disproportionate share payments for each pool shall be calculated based on the product of the ratio of each qualifying hospital's experience to the experience of all hospitals in the pool as determined by the report described in I.D.3.e(2), above and multiplying by an amount of funds for each respective pool to be determined by the director of the Bureau of Health Services Financing. Total Medicaid inpatient days include Medicaid nursery days but do not include skilled nursing facility or swing-bed days. Pool amounts shall be allocated based on the consideration of the volume of days weighted by multiplying by the following factors: teaching acute care hospital Medicaid days are weighted by a factor of 3, non-teaching acute care hospital Medicaid days are weighted by a factor of 2, psychiatric hospital Medicaid days are weighted by a factor of 1.
- 5) DSH payments shall be made prospectively once per year for the federal fiscal year. No additional payments shall be made if an increase in days is determined after audit.

Cost Reports Rec'd as of	Date Payment Amounts		<u>Payment</u> Period
	<u>Determined</u>		
June 30, 1997	May 1998		10/1/97 - 9/30/98
June 30, 1998	May 1999		10/1/98 - 9/30/99

- 6) A pro rata decrease necessitated by conditions specified in I.D.2.a. above for hospitals described in this section will be calculated based on the ratio determined by dividing the hospitals' Medicaid inpatient days by the Medicaid inpatient days for all qualifying hospitals in this section, then multiplying by the amount of disproportionate share payments calculated in excess of the federal disproportionate share allotment or the state disproportionate share appropriated amount.

E. (Reserved)

SUBMIT

PAGE

STATE <u>Louisiana</u>	A
DATE REC'D <u>6-30-99</u>	
DATE APP'D <u>6-6-01</u>	
DATE EFF <u>6-21-99</u>	
HCFA 179 <u>TN 99-10</u>	

TN# _____ Approval Date _____ Effective Date _____
Supersedes
TN# _____